

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice DAP-140

For: State and County Offices

Additional 2002 Livestock Compensation Program (LCP) Provisions

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice DAP-139 announced the 2002 LCP and provided preliminary program provisions. The 2002 LCP provides assistance to certain livestock owners and lessors in counties that have been named after January 1, 2001, under a **primary** Secretarial disaster designation because of **drought**. Counties designated as contiguous counties are **not** eligible for LCP.

Assistance is in the form of a cash payment and is determined by the number, type, and weight of eligible livestock. Payment rates vary according to type, weight, and age of eligible livestock.

B

Purpose

The notice provides:

- additional 2002 LCP provisions
- definitions of terms used in 2002 LCP (Exhibit 1)
- instructions for completing FSA-553 (Exhibit 2)
- instructions for completing FSA-553-A (Exhibit 3)
- examples of different LCP situations in Exhibit 4
- instructions for the 2002 LCP software.

Continued on the next page

Disposal Date	Distribution
April 1, 2003	State Offices; State Offices relay to County Offices
9-30-02	

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1 Overview (Continued)

C

Application Software

LCP application software will be transmitted from KC-ITSDO on Monday, September 30, 2002. The payment software will be included in a special release scheduled to arrive in County Offices the week of October 8, 2002.

2 LCP Provisions

A

Application Period

The application period begins October 1, 2002, and will continue until an ending date is announced.

B

Definitions

Definitions applicable to 2002 LCP are in Exhibit 1.

C

Eligible County

To be eligible for this program a county must have been either of the following:

- approved as a **primary** county after January 1, 2001, under a Secretarial disaster designation for damages and losses because of **drought**
- included in a pending request for a Secretarial disaster designation for damages and losses because of drought that was received by the Secretary no later than September 19, 2002, and subsequently approved.

Important: Counties designated as contiguous counties are not eligible for 2002 LCP.

D

List of Eligible Counties

A list of eligible counties is available on the Internet at <http://drought.fsa.usda.gov/assistance.asp>.

Additional counties will be added to the list as they are approved.

Continued on the next page

2 LCP Provisions (Continued)

E Eligible Livestock

The following are eligible livestock for LCP:

- beef cattle
 - dairy cattle
 - buffalo and beefalo when maintained on the same basis as beef cattle
 - sheep
 - goats.
-

F Livestock Eligibility

Eligible livestock:

- must have been owned or cash-leased by the applicant on or before June 1, 2002; or were subject to a purchase contract negotiated before June 1, 2002, by the applicant
- must have been owned for a minimum of 90 calendar days

Note: June 1, 2002, must be within the 90-calendar-day ownership period.

- may be located in a commercial feedlot, if the livestock are farmer-owned and the owner of the livestock meets all eligibility requirements.

Following are specific criteria for the type of livestock:

- **adult cows** must have calved at least once by June 1, 2002
 - **adult bulls** must have been 2 years of age or older by June 1, 2002
 - **nonbreeding heifers** must have weighed 500 pounds or more on June 1, 2002
 - **replacement heifers** must have weighed 500 pounds or more on June 1, 2002 **and not** have borne any offspring before June 1, 2002
 - **steers** must have weighed 500 pounds or more on June 1, 2002
 - **bulls** must have weighed more than 500 pounds **and** were under 2 years of age on June 1, 2002.
-

Continued on the next page

2 LCP Provisions (Continued)

G

Dead or Sold Livestock

Livestock that were sold or died after June 1, 2002, and that meet the requirements in subparagraph F are eligible.

Note: See subparagraph 3 C for documentation needed to verify eligible livestock that were sold or died.

H

Ineligible Livestock

Ineligible livestock include the following:

- swine
 - equine animals
 - poultry
 - livestock owned by meat packer or commercial feedlot operations
 - livestock kept for recreation or for use in recreational activities or recreational businesses, even if they are also maintained for use in a controlled breeding program
 - any other livestock not included in subparagraph E, including yaks, llamas, and other exotic breeds or species
 - all beef and dairy cattle, and buffalo and beefalo that weighed less than 500 pounds on June 1, 2002
 - livestock purchased or born after June 1, 2002
 - livestock that were sold or died before June 1, 2002.
-

I

Eligible Producer Owner

An eligible producer is an entity or individual:

- who shares in the income from the sale of the eligible livestock which is either owned, under cash lease agreement, or subject to a purchase contract for the eligible livestock
 - whose livestock operation headquarters is located in an eligible county.
-

Continued on the next page

2 LCP Provisions (Continued)

J

Ineligible Producer

An ineligible producer is an entity or individual:

- who does not own eligible livestock
 - whose livestock operation headquarters is **not** located in an eligible county
 - who is a livestock owner that:
 - slaughters, processes, and packs livestock meat into meat and meat products
 - for monetary reimbursement or other gain, feeds and provides facilities on a custom feeding basis for livestock owned by another person.
-

K

Program Applicability

The following provisions are applicable to 2002 **LCP**:

- \$40,000 payment limitation per “person”

Note: Cash rent tenant and actively engaged provisions do **not** apply to LCP.

- qualifying gross revenue of \$2.5 million or less per "person" for the preceding tax year
- offsets according to 58-FI
- assignments according to 63-FI, if filed **after** September 19, 2002
- producers may be eligible for both 2002 Cattle Feed Program (CFP) and LCP assistance on the same livestock without a reduction in payment or fee credit amount.

Note: Conservation compliance is **not** applicable to LCP.

Continued on the next page

2 LCP Provisions (Continued)

L

Application Requirements

The information provided by the producer on FSA-553 will be used to determine eligibility for LCP and to calculate the amount of payment.

All eligible owners in a livestock operation shall:

- complete **one** FSA-553 in the County Office where the livestock operation is headquartered, providing it is in an eligible county for drought
- identify each owner in the livestock operation and their percent share interest in the operation with the sum equal to 100 percent
- certify the number and type of each eligible livestock category
- certify the location of all other livestock interests that are not included in the application
- certify to the applicable gross revenue statement
- be jointly and severally liable for correctness of information provided on FSA-553.

Note: Supporting documentation is **not** required from the producer at the time FSA-553 is completed. However, if selected for spot check, documentation will be required to verify the information on the application. See subparagraph 3 E.

Producers with separate livestock operations in 1 or more eligible counties shall file in each applicable eligible County Office.

Continued on the next page

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2 LCP Provisions (Continued)

M

Payment Rates

FSA-553, item 6 identifies the established payment rates.

The payment amount is the sum of the amount determined by multiplying the number of eligible livestock in each category times the applicable payment rate for each category.

Assistance is in the form of a direct payment to eligible producers and is not required to be used by the payee for any specific purpose.

3 County Office Action

A

Notify Producers

County Offices shall immediately notify producers of the availability of LCP and the provisions of this notice, using all available media sources.

Continued on the next page

3 County Office Action (Continued)

B

Application Process

Eligible County Offices shall:

- beginning October 1, 2002, use the automated FSA-553 to complete applications from livestock producers whose livestock operation headquarters is located in a primary county

Note: One application shall be completed for all livestock owners in each livestock operation.

- accept FSA-553 by FAX, mail, or in person

Reminder: A valid FSA-237 must be on file to accept FSA-553 by FAX.

- assist producers in completing:
 - FSA-553 according to Exhibit 2
 - FSA-533-A according to Exhibit 3

Note: Producers shall indicate on FSA-553, "Remarks" section if they have applied for LCP in another county or State for a separate livestock operation.

- ensure that a valid power-of-attorney is on file for producers signing in a representative capacity
- ensure that a "person" determination has been made for each eligible producer according to 1-PL
- ensure that each eligible producer meets the qualifying gross revenue requirement according to 1-DAP, subparagraphs 702 E and F and 727 C
- provide the applicant a copy of the COC-approved FSA-553.

Continued on the next page

3 County Office Action (Continued)

C

Documentation for Sales and Death Loss

Producers notified of a spot check must provide documentation to verify the eligibility of livestock claimed on FSA-553 that have been sold or died after June 1, 2002. Acceptable documentation may include, but is not limited to, any of or a combination of the following:

- rendering truck receipts or certificates
 - National Guard receipts of carcass removal
 - veterinary records
 - loan records
 - bank statements
 - IRS inventory records
 - farm credit balance sheets
 - property tax records
 - sales and purchase receipts
 - private insurance documents.
-

D

Application Approvals

COC or designee shall approve or disapprove FSA-553 requests for LCP.

State Office representative shall approve or disapprove FSA-553 requests submitted by County Office employees, CED's , and COC members.

DAFP shall approve or disapprove FSA-553 requests submitted by State Office employees, SED's, and STC members.

E

Spot Checks

Spot checks shall be performed to verify the number of eligible livestock, as certified by the producer.

Complete spot checks:

- within 60 calendar days after date FSA-553 is approved
- on not fewer than 5 percent of the LCP applications approved for payment, using the random selection method.

No fewer than 5, nor no more than 60 LCP applications, are required to be reviewed per county.

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3 County Office Action (Continued)

E

Spot Checks (Continued)

The County Office may use the same farm visit to conduct a spot check of the livestock operation for both CFP and LCP, in applicable States. A spot check will be considered a random sample spot check for each program if a livestock owner or lessee is both of the following:

- participating in both CFP and LCP
 - selected for a random spot check for either program.
-

F

Farm Visits

Farm visits shall be conducted to verify the certified number of eligible livestock. Document the determined number of head at time of spot check and any differences found on FSA-553-A (Exhibit 2).

In some cases, a complete verification is not possible because of the inaccessibility of the livestock. In such cases, verify the producer's inventory of livestock by using available records, such as veterinary billing records, health certificates, brand inspections, etc.

Example: Fifty cows are scattered over a 500 acre heavily wooded area. The field reporter should make a notation to this effect, and COC may accept the producer's certification as accurate if there is no reason to question the report. This method of verification should only be used in very unusual cases.

G

Spot Check Discrepancies

Spot checks shall be performed to determine the accuracy of the certified number of eligible livestock. Discrepancies that result in changes in the certified number of eligible livestock as a result of a spot check shall be handled according to the following table.

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3 County Office Action (Continued)

G Spot Check Discrepancies (Continued)

IF the number of eligible livestock determined in a spot check is...	THEN COC...
greater than 95 percent of the certified number of livestock	<ul style="list-style-type: none"> may determine good faith without an explanation from the producer shall use the certified number of livestock for payment purposes, if good faith is determined shall not require a refund.
more than 85 percent and less than or equal to 95 percent of the certified number of livestock	<ul style="list-style-type: none"> may determine good faith after the producer has been notified of the discrepancy and the producer has provided a satisfactory explanation for the inaccuracy or inaccuracies shall use the smaller of the determined or certified number of eligible livestock for payment purposes, if good faith is determined <p>Note: If the determined amount is the smaller number, the producer shall refund an amount of payment per head multiplied by the difference between the certified and the determined number of head if the amount exceeds \$35.</p> <ul style="list-style-type: none"> shall provide producer applicable appeal/mediation rights according to 1-APP.
less than 85 percent of the certified number of livestock	<ul style="list-style-type: none"> shall determine the producer ineligible for LCP benefits shall require a refund of the entire amount of payment shall provide applicable appeal/mediation rights according to 1-APP shall follow instructions in subparagraph I.
is any amount and good faith is not determined	<ul style="list-style-type: none"> shall determine the producer ineligible for LCP benefits and document the basis for the determination in the COC minutes shall require a refund of the entire amount of payment shall follow instructions in subparagraph I.

For amounts due CCC, County Offices shall establish a receivable according to 67-FI. The accounting code will be provided in a future notice.

Continued on the next page

3 County Office Action (Continued)

H

Additional Spot Checks When Discrepancies Are Found

Select additional applications for spot check according to this table. Determine discrepancies according to subparagraph G.

IF the number of applications with 1 or more discrepancies...	THEN...
exceeds 25 percent of all applications spot-checked	select an additional 10 percent of all applications for spot check.
is 25 percent or fewer of all applications spot-checked	no additional spot checks are required.

I

LCP Ineligibility

Follow 4-CP, paragraph 146, if COC suspects that an unacceptable, incorrect, or false certification is related to, or the result of, a misrepresentation, scheme, or device.

For ineligible producers for which COC has no reason to believe the certification is related to, or the result of, a misrepresentation, scheme, or device, COC:

- shall provide producer applicable appeal/mediation rights according to 1-APP
- may submit a request for relief to STC.

Note: STC shall approve the request for relief only if it can be determined that extenuating circumstances prevented the producer from accurately certifying the eligible number of livestock.

4 Accessing 2002 LCP Application Options

A

Access to LCP Software

The software developed to process 2002 LCP applications is similar to other program application software.

Only eligible counties will have access to the LCP software.

As additional pending counties are approved, KC-ITSDO will allow access to the software for the applicable County Offices.

B

Accessing Screen MHAW00

Access 2002 LCP application options from Menu FAX250 according to this table.

Step	Menu or Screen	Action	
1	FAX250	ENTER “3” or “4”, “Application Processing”.	
2	FAX09002	Menu FAX09002 will be displayed if option 4 was selected on Menu FAX250. Select the appropriate county to continue to Menu FAX07001.	
3	FAX07001	ENTER “11”, “PFC/Compliance”.	
4	M00000	ENTER “1”, “NAP and Disaster”.	
5	MH0000	ENTER "11", “Other Livestock Programs”.	
6	MHK0YR	ENTER "2", “Livestock Compensation Program”	
7	MHAW00	Screen MHAW00 is the main screen for the 2002 LCP processing options.	
		IF the user wants to...	THEN on Screen MHAW00, ENTER...
		load a new, modify, cancel, or approve a 2002 LCP application	<ul style="list-style-type: none">“1” in “Select Option” fieldPRESS “Enter”.
		access report options for 2002 LCP	<ul style="list-style-type: none">“2” in “Select Option” fieldPRESS “Enter”.
		access LCP payment options	<ul style="list-style-type: none">“3” in “Select Option” fieldPRESS “Enter”.

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5 Processing 2002 LCP Applications

A

Entering 2002 LCP Data

Follow the procedure in this table to load a new 2002 LCP application after entering "1" in "Select Options" field on Menu MHAW00.

Step	Action	Result
1	Access Screen MHAW00 according to subparagraph 4 B and ENTER "1" in the "Select Options" field.	Screen MMAWA0 will be displayed.
2	On Screen MHAWA0 ENTER "1" in the "Select Options" field, and PRESS "Enter". Note: The system will automatically assign an application number for each new application.	Screen MHAWL201 will be displayed.
3	On Screen MHAWL201: <ul style="list-style-type: none"> enter the producer's number of head in each category (press "Field Exit" to move between categories) until all eligible head have been loaded Note: Leave blank those categories that do not contain any producer eligible livestock. <ul style="list-style-type: none"> PRESS "Cmd5" to update the data. 	Screen MACR04 will be displayed.
4	On Screen MACR04, enter the producer's "Last Four Digits of ID", "ID number", or "Last Name" and PRESS "Enter".	Screen MHAWL701 will be displayed.
5	On Screen MHAWL701: <ul style="list-style-type: none"> enter the producer's share amount in the "Share" field. Note: Producer shares shall be entered in whole numbers (for example 25% or .2500 = 2500). ENTER "All" if producer share is 100%. <ul style="list-style-type: none"> ENTER either "Y", "R", or "I" in the "Payment Ind" field as applicable. Note: "Y" = Pay Producer "R" = Refused Payment "I" = Ineligible Due to Gross Revenue <ul style="list-style-type: none"> enter the amount producer is over the \$40,000 payment limit in the "Pay Limit Reduction Amount" field. If producer does not reach the payment limit, leave blank. PRESS "Cmd5" to update the data.	Screen MHAWL701 will be redisplayed with the updated data.
6	On Screen MHAWL701: <ul style="list-style-type: none"> PRESS "Cmd16" to return to Screen MACR04 to enter a new producer. Note: User shall repeat the data load on Screen MHAWL701 for every producer with shares, PRESS "Cmd5" to update after entering each producer's share, then "Cmd16" to select another producer, until producer shares are complete. <ul style="list-style-type: none"> PRESS "Cmd12" to print FSA-553 and exit the menu after all shares have been loaded. 	<ul style="list-style-type: none"> If "Cmd16" is pressed, Screen MACRO4 will be displayed. If "Cmd12" is pressed, Screen FAX46501 will be displayed to print FSA-553.

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5 Processing 2002 LCP Applications (Continued)

B

Modifying or Canceling 2002 LCP Data

Follow the procedure in this table to modify or cancel a 2002 LCP application after entering "1" in the "Select Options" field on Menu MHAW00.

Important: If "Cmd 5" is not pressed the modified data will not be updated.

Step	Action	Result
1	Access Screen MHAW00 according to subparagraph 4 B and ENTER "1" in the "Select Options" field.	Screen MMAWA0 will be displayed.
2	On Screen MHAWA0 ENTER "2" in the "Select Options" field and PRESS "Enter".	Screen MHAWL101 will be displayed.
3	On Screen MHAWL101 enter the application number, and PRESS "Enter".	Screen MHAWL201 will be displayed.
4	On Screen MHAWL201, do either of the following: <ul style="list-style-type: none"> PRESS "Cmd24" to delete the application enter the modifications to the producer's number of head in each category (press "field exit" to move between categories) until all modifications have been loaded. <p>Note: Leave blank those categories that do not contain any producer eligible livestock.</p> <p>PRESS "CMD5" to update the data.</p>	Screen MHAWL701 will be displayed.
5	On Screen MHAWL701, do 1 of the following, PRESS: <ul style="list-style-type: none"> "Cmd24" to delete the current producer "Cmd16" to add new producers and shares (See subparagraph 5 A, steps 4 and 5 to complete new producer data) "Shift Rollup or Rolldown" to select/modify other producer's data on this application. <p>PRESS "CMD5" to update the data.</p> <p>Note: User shall repeat the data load on Screen MHAWL701 for every producer with shares, PRESS "Cmd5" to update after entering each producer's share, until producer shares are complete.</p>	Screen MHAWL701 will be redisplayed with updated data.
6	On Screen MHAWL701, PRESS "Cmd12" to print FSA-553 and exit the menu after completing all modifications to the application.	Screen FAX46501 will be displayed to print FSA-553.

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5 Processing 2002 LCP Applications (Continued)

C

Approving 2002 LCP Applications

Follow the procedure in this table to approve 2002 LCP applications after entering "1" in the "Select Options" field on Menu MHAW00.

Note: The approval date must be (re)entered each time the application is updated.

Important: If "Cmd 5" is not pressed, the modified date will not be updated.

Step	Action	Result
1	Access Screen MHAW00 according to subparagraph 4 B and ENTER "1" in the "Select Options" field.	Screen MMAWA0 will be displayed.
2	On Screen MHAWA0, ENTER "3" in the "Select Options" field and PRESS "Enter".	Screen MHAWL101 will be displayed.
3	On Screen MHAWL101, enter the application number and PRESS "Enter"	Screen MHAWL801 will be displayed.
4	On Screen MHAWL801: <ul style="list-style-type: none"> enter the COC approval date in the "COC Approval Date" field PRESS "Cmd5" to update the date PRESS "Cmd7" to end application processing. 	

6 Processing 2002 LCP Payments

A

Introduction

The LCP payment software is designed to:

- multiply the eligible number of livestock times the rate
- send the calculated payables through the accounting interface
- compute any overpayments and reduce the payable accordingly.

When County Offices initiate the payment process, **all** payables for eligible producers will be processed. The system identifies eligible producers for payment if all of the following apply:

- FSA-553 has been approved by COC and the approval date has been entered into the system
 - producer payment indicator in the share file has been set to “Y” indicating that the producer has met all eligibility requirements.
 - net payment amount is calculated to at least \$1.
-

B

Payment Reports and Options

A variety of report options have been developed to assist County Offices with program administration and payment status. Data on the various LCP reports:

- reflects how and what information is loaded into the system
- should be used to verify data load was correct before processing payables.

These reports options are available after selecting option "2" on Screen MHAW00 and include the following.

Type	Contents
Entitlement Report	Details the dataloaded information including eligible number of head and categories.
Application Status Report	Identifies application and share data that may need to be updated before payment processing.
Enrollment Application Report	Provides data on applications that are eligible for payment.
Producer Earnings Report	Provides a tool to review producer data to ensure that the \$40,000 payment limitation is not exceeded.

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6 Processing 2002 LCP Payments (Continued)

C

Accessing Payment Screen MHAWP0 Access 2002 LCP payment options from Menu MHAW00 according to this table. Payments are processed through the "O" batch method each time payment options are selected.

Step	Menu or Screen	Action	
1	MHAW00	ENTER "3" "Payment Processing".	
2	MMAWP00	Screen MHAWP00 is the main screen for the 2002 LCP payment options.	
		IF the user wants to...	THEN on Screen MHAWP00, ENTER...
		issue payments and calculate overpayments	<ul style="list-style-type: none">• "1" in "Select Option" field• PRESS "Enter".
		cancel payments and calculate overpayments	<ul style="list-style-type: none">• "2" in "Select Option" field• PRESS "Enter".
		access producer payment history reports	<ul style="list-style-type: none">• "3" in "Select Option" field• PRESS "Enter".

Note: Each time the payment process is run the Payment Exception Report will be printed for payables that cannot be issued. This report includes a brief explanation about why the payable cannot be issued.

D

Canceling Payables

After payment processing has been completed, County Office shall review transaction statements to ensure that the correct disbursement was generated. If an error is determined, the payable shall be canceled by selecting option "2" on Screen MHAWP00.

County Offices shall cancel payables only if direct deposit payable amounts are incorrect **and** the direct deposit record has not been transmitted. If direct deposit record has been transmitted, County Office shall cancel payments through accounting.

E

Overpayments

Each time the payment process is initiated, an overpayment procedure is run to determine if overpayments for LCP payments exists. Upon determination that a producer has been overpaid, the system will establish a receivable in the Common Receivable System. County Offices shall follow procedures in 64-FI and 67-FI to process payments for receivables and claims collections.

Definitions Applicable to 2002 LCP

Adult Cows

Adult cows are female beef or dairy cattle, buffalo or beefalo that are breeding or milking stock, as applicable, that have calved at least once by June 1, 2002.

Adult beef, buffalo, or beefalo cows meeting this definition will be paid at the rate of \$18 per head.

Adult dairy cows meeting this definition will be paid at the rate of \$31.50 per head.

Adult Bulls

Adult bulls are male beef or dairy cattle, buffalo or beefalo that are used for breeding purposes, as applicable and are two years or older by June 1, 2002.

Adult beef, buffalo, or beefalo bulls meeting this definition will be paid at the rate of \$18 per head.

Adult dairy bulls meeting this definition will be paid at the rate of \$31.50 per head.

Nonbreeding Heifers

Nonbreeding heifers are female beef or dairy cattle, buffalo, or beefalo that are intended for slaughter, are 500 pounds or more on June 1, 2002, and are of any age.

Nonbreeding heifers meeting this definition will be paid at the rate of \$13.50 per head.

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Definitions Applicable to 2002 LCP (Continued)

Replacement Heifers

Replacement heifers are female beef or dairy cattle, buffalo, or beefalo that are intended to be added to a breeding program, must be 500 pounds or more on June 1, 2002, and have not borne any offspring before June 1, 2002.

Replacement heifers meeting this definition will be paid at the rate of \$13.50 per head.

Steers and Bulls

Steers are male beef or dairy cattle, buffalo, or beefalo that have been sterilized, are 500 pounds or more on June 1, 2002, and are of any age.

Bulls are male beef or dairy cattle, buffalo, or beefalo that are more than 500 pounds and must be under 2 years of age on June 1, 2002.

Steers and bulls meeting these definitions will be paid at the rate of \$13.50 per head.

Sheep and Goats

Sheep and goats are ruminant mammals, domesticated varieties, that are maintained for the purpose of producing flesh, wool, hair, and/or skin. Eligible sheep and goats must have been born on or before June 1, 2002. Weight categories are not applicable to sheep and goats.

Sheep and goats meeting this definition will be paid at the rate of \$4.50 per head.

FSA-553, Livestock Compensation Program (LCP) Application

A**Completing
FSA-553**

Complete FSA-553 according to these instructions.

Item	Instruction
1A	Enter the name and address of the individual or entity requesting a payment under LCP.
1B	Enter the identification number for the applicant that was entered in item 1A.
2A	Enter the name of the contact person for the livestock operation.
2B	Enter the telephone number for the contact person that was entered in item 2A
3A	Enter the name and address of the primary County FSA Office where the livestock operation is headquartered. Note: The application must be filed in the primary County Office where the livestock operation is headquartered.
3B	Enter the telephone number of the County Office that was entered in item 3A.
4	The application number will be assigned through the application software.
5A	Enter: <ul style="list-style-type: none"> the name of applicant that was entered in item 1A names and addresses of all other owners of eligible livestock in the applicant's operation, if applicable. Note: Additional " Other Owner " information is required only if the applicant is not the sole owner of all eligible livestock in the livestock operation.
5B	Enter the percent share of the total number of owned or cash-leased eligible livestock for the applicant entered in item 1A, and each " other owner " listed under item 5, if applicable. Note: Sum of all shares must equal 100 percent.
5C	Enter the location (State/States, county/counties, and Farm Serial Numbers) of any other livestock interests of the applicant or persons listed that are not included in this application.

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FSA-553, Livestock Compensation Program (LCP) Application (Continued)

A
Completing
FSA-553
(Continued)

Item	Instructions
6A	<ul style="list-style-type: none"> • Adult beef cattle, buffalo and beefalo cows are breeding stock that have calved at least once by June 1, 2002. Adult beef cattle, buffalo and beefalo bulls are breeding stock that are 2 years or older by June 1, 2002. • Beef, dairy, buffalo, and beefalo replacement heifers intended to be added to a breeding program must be 500 lbs. or more on June 1, 2002, and have not borne any offspring before June 1, 2002. • Adult dairy cows are milking stock that have calved at least once by June 1, 2002. Adult dairy bulls are dairy breeding stock that are 2 years or older by June 1, 2002. • Beef, dairy, buffalo and beefalo steers that have been sterilized, are 500 lbs. or more on June 1, 2002, and are of any age. • Non-breeding beef, dairy, buffalo and beefalo heifers that are intended for slaughter, are 500 lbs. or more on June 1, 2002 and are of any age. • Beef, dairy, buffalo and beefalo bulls must be more than 500 lbs. and must be under 2 years of age on June 1, 2002. • All sheep, except those born after June 1, 2002. • All Goats, except those born on or after June 1, 2002.
6B	Enter the eligible number of head in the livestock operation as applicable to each type of livestock identified in item 6A.
6C	No entry required.
6D	Enter the product of 6B multiplied by 6C.
6E	Enter the sum of all entries in 6D.
7	Producer shall read certification statements before signing FSA-553.

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FSA-533, Livestock Compensation Program (LCP) Application (Continued)

**A
Completing
FSA-533
(Continued)**

Item	Instructions
8A	Enter "A" or "B" as applicable to the producer in item 8B
8B	Obtain signatures of all producers identified in item 5 A. If applicable, ensure that a valid power of attorney is on file.
8C	Enter date of entry and signature in 8A and 8B.
9	COC or designee shall check appropriate box.
10 A-C	COC or designee shall sign, enter title, and date.
11 Remarks	Producers shall indicate if they have applied for LCP in another county or State for a separate livestock operation.

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B

Copy of FSA-553 This is a copy of FSA-553.

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FSA-553, Livestock Compensation Program (LCP) Application (Continued)

B

Copy of FSA-553
(Continued)

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6A. TYPE OF LIVESTOCK	6B. NUMBER OF HEAD	6C. PAYMENT PER HEAD	6D. TOTAL
Adult beef cattle, buffalo and beefalo (cows and bulls)	X	\$18.00 =	\$
Beef, dairy, buffalo and beefalo replacement heifers (500 lbs. and over)	X	\$13.50 =	\$
Adult dairy cattle (cows and bulls)	X	\$31.50 =	\$
Beef, dairy, buffalo and beefalo steers (500 lbs. and over)	X	\$13.50 =	\$
Non-breeding beef, dairy, buffalo and beefalo heifers (500 lbs. and over)	X	\$13.50 =	\$
Beef, dairy, buffalo and beefalo bulls (500 lbs. and over)	X	\$13.50 =	\$
Sheep (All)	X	\$ 4.50 =	\$
Goats (All)	X	\$ 4.50 =	\$
6E. TOTAL ►			\$

7. PRODUCER'S CERTIFICATION

I certify that I owned or leased the livestock on June 1, 2002, and for a minimum of 90 calendar days.

I certify that all the information entered on this application and documents attached are true and correct, and all documents provided are true copies of the transaction reported. Providing a false certification to the government is punishable by imprisonment, fines and other penalties. All information provided herein is subject to verification by the Commodity Credit Corporation. The provisions of criminal and civil fraud statutes that apply to this certification, include 18 USC 286, 287, 371, 641, 651, 1001 and 1004; 15 USC 714m; and 31 USC 3729.

I hereby certify that: (YOU MUST enter A or B in Item 8A below before signing.)

- A. More than 50 percent of my gross annual revenue (receipts) is received from farming and ranching operations and that my gross annual revenue (receipts) from these operations is not in excess of \$2.5 million.
- B. Fifty percent or less of my gross annual revenue (receipts) is received from farming and ranching operations and that my gross annual revenue (receipts) from all agriculture and nonagricultural sources is not in excess of \$2.5 million.

8A. Enter A or B	8B. Producer's Signature	8C. Date (MM-DD-YYYY)	8A. Enter A or B	8B. Producer's Signature	8C. Date (MM-DD-YYYY)

9. COC DETERMINATION (Check applicable box below):

☐

APPROVED

☐

DISAPPROVED

10A. SIGNATURE OF COC OR DESIGNEE	10B. TITLE OF COC OR DESIGNEE	10C. DATE (MM-DD-YYYY)

11. REMARKS

FSA-533-A, Livestock Compensation Program (LCP) Supplemental Information Sheet

A**Completing
FSA-533-A**

County Offices shall complete one FSA-533-A for each application. FSA-533-A shall be used for spot checks.

Item	Instruction
1	Enter County Office name and address.
2	County Office shall enter assigned farm serial number.
3	<p>County Office shall enter each type of livestock in the operation on a separate line, as applicable, to:</p> <ul style="list-style-type: none"> • the location; such as: <ul style="list-style-type: none"> • adult cows • adult bulls • replacement heifers • steers • bulls • livestock sold or died. <p>More than 1 line for each type of livestock may be necessary to accommodate several locations of the herd or flock.</p>
4	<p>County Office shall enter location of each type of livestock on the corresponding rows; such as legal description, location on farm, etc.</p> <p>For those livestock that were sold or died, enter “sold” or “died”, as applicable, to the type.</p>
5	County Office shall enter the certified number of livestock, as applicable, to the type and location of livestock.
6	Reporter shall enter determined number of head, as applicable, to the type at time of spot check.
7	Reporter shall enter date of spot check.
8	Reporter shall enter spot check results and/or any comments related to the spot check.
9 and 10	Person who performed spot check shall sign and date where indicated.

Continued on the next page

B
Copy of
FSA-533-A

This is a copy of FSA-533-A.

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Examples for 2002 LCP

Example 1

Jill operates a livestock operation that is headquartered in an eligible county. She owns 12 ewes, 19 lambs, and 1 ram. She also owns 8 nanny goats to nurse bum lambs and make goat cheese, and has one billy. She owns 5 Jersey milk cows and 5 horses.

Jill's application indicates:

5 dairy cows at \$31.50 per head = \$157.50

32 sheep at \$4.50 per head = \$144.00

9 goats at \$4.50 per head = \$40.50

Total payment of \$342.00.

Note: Horses are not eligible livestock for LCP.

Example 2

Steve and Gary conduct a livestock operation that is headquartered in an eligible county. The operation consists of:

- 153 head of beef cows owned by Steve
- 78 head of beef cows owned by Gary
- 376 head of beef cows owned by Steve and Gary on a 50/50 share basis.

The application would indicate the following:

- 376 head cows x 50 percent = 188 head each for Steve and Gary
- 188 head + 153 head = 341 head for Steve
- 188 head + 78 head = 266 head for Gary

Total head is 607.

Steve has a .5618 percent interest in the cows ($341 \div 607$)

Gary has a .4382 percent interest in the cows ($266 \div 607$)

Complete 1 application for all the cows for both Steve and Gary. On FSA-553:

- Item 5B, enter the applicable percentages
- Item 6B, ENTER "607" for number of head of adult beef cattle
- Item 6D, the entry is \$10,926.00.

Continued on the next page

Examples for 2002 LCP (Continued)

Example 3

George owns 250 yearling steers that weighed more than 500 pounds per head on June 1, 2002, and at the time of application are located in Big Beef Feedlot Inc. George placed the steers in the feedlot because the drought destroyed the grazing in the pasture he normally used. George's livestock operation headquarters is located in an eligible county.

Bill owns 300 yearling steers that weighed more than 500 pounds per head on June 1, 2002, and at the time of application were located in the same feedlot as George's cattle. Bill's livestock operation headquarters is located 3 miles from George's, but is not located in an eligible county.

Big Beef Feedlot Inc. owns 2000 head of yearling heifers that weighed more than 500 pounds per head on June 1, 2002 and are located in their feedlot.

What livestock are eligible for LCP?

George's 250 head are eligible for \$3375.00 under LCP.

Bill's 300 head are not eligible for LCP payment because his livestock operation headquarters is located in an ineligible county. Additionally, Bill's feed source and pasture are located in an ineligible county. **Counties designated as contiguous counties are not eligible for LCP.**

Big Beef Feedlot Inc.'s 2000 head are not eligible for LCP because the livestock are owned by an ineligible producer.

Example 4

Sam lives in an eligible county. He owns 357 head of adult cows in a livestock operation that is headquartered and operated entirely in an ineligible county. All feed is produced in the county of the livestock operation headquarters. Are these livestock eligible for LCP?

No, because the livestock operation is not headquartered or operated in an eligible county.
